

**Division of Medicaid and Health Care Trust
Fund Board Claim “Partnership” Funding
Illegal,
Pursue Legal Action**

***Division of Medicaid: “Health care for Medicaid
recipients
is more important than advertising”***

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(Jackson, Miss.) The Division of Medicaid today was joined by the Health Care Trust Fund Board in authorizing legal action declaring the public funding of the “Partnership for a Healthy Mississippi,” a private organization, is unconstitutional and illegal under state law. The Division and the Board will file a joint motion to intervene in the 1998 lawsuit filed in the Jackson County Chancery Court where the “Partnership” was formed.

Mississippi Division of Medicaid Executive Director Dr. Warren Jones said that the “Partnership” anti-tobacco goal is a noble one. However, he added: “Health care for Medicaid recipients is more important than advertising. The Legislature has the sole authority to appropriate all state

dollars, and should be able to direct 'Partnership' funds to the benefit of the one out of every four Mississippians who are enrolled in our Medicaid program," said Jones. "The tobacco settlement was about health care and there is no more important health care issue in the State of Mississippi than the life-saving drugs and treatments Mississippi Medicaid provides 780,000 Mississippians."

The "Partnership for a Healthy Mississippi" was "appropriated" funds by the local court as a "youth tobacco cessation pilot program" after the original 1997 Tobacco Master Settlement Agreement with the nation's major tobacco companies was reached. During the regular board meeting today of the Health Care Trust Fund Board, established to manage the annual payments to the State from tobacco companies, board members pointed out that Mississippi's constitution only gives the Legislature the power to appropriate state dollars - not courts. The Board voted to join the Division of Medicaid in legal action.

The Board said that persistent questions concerning the legality of the funding of the "Partnership" were strong enough to warrant legal action. The Board cited a November 2003 Joint Legislative PEER (Performance Evaluation and Expenditure Review) Committee report that concluded that "the order (to fund the 'Partnership') is not

in compliance with state law” and is “unconstitutional.” “As Board members, we have a fiduciary responsibility to assure that State funds, like those funds diverted to the ‘Partnership,’ are expended in accordance with the law,” said State Treasurer Tate Reeves who serves as the Health Care Trust Fund Board Chairman.

Board members voting for the action added that the 2003 PEER Report recommends that “...the Health Care Trust Fund employ counsel as necessary to pursue any civil action necessary to either set aside the order or proceed against any person or persons who may have violated their fiduciary duty to the trust...”

“Correcting the seemingly unconstitutional and illegal funding of the ‘Partnership’ will be a win-win for Mississippi,” said Jones. “Mississippi’s needy will get more health care dollars, including three-to-one matching funds from the federal government, and the Division of Medicaid can continue much of the anti-tobacco work of the ‘Partnership’ through the health care partnerships we already have in place across the state.”

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